

29 December 2017

## MMJ Finalises C\$2 Million Weed Me Inc. Investment

- **C\$2 million funding advanced to late stage ACMPR applicant on improved terms**
- **Weed Me has recently obtained a certificate of readiness from Health Canada which is the final step before securing a Cultivation License**
- **Weed Me expected to secure Cultivation Licence within the next 120 days**
- **Weed Me is targeting entry into the estimated C\$8 billion Canadian medical and recreational market in 2018 as a high quality, large-scale cannabis producer**

**MMJ PhytoTech Limited (ASX: MMJ)** (“**MMJ**” or “**the Company**”) is pleased to advise that it has finalised due diligence and signed the formal agreements to subscribe for C\$2 million in secured convertible debentures (“**Debentures**”) in Toronto-based Weed Me Inc. (“**Weed Me**”) (see ASX announcement dated 12 December 2017).

Under the finalised agreement, MMJ has negotiated improved investment terms including a reduction in the pre-money valuation (“valuation”) of Weed Me from C\$10 million to C\$9.2 million. The Debentures are convertible into shares and warrants in Weed Me based on the revised valuation.

The reduced valuation accounts for the exclusion of the real property that hosts Weed Me’s proposed cannabis facility (the “**Facility**”) located in Pickering, Ontario that has an estimated equity value of C\$800,000 (corresponding to the reduced conversion price).

Importantly, the real property is still being put up as security for repayment of the Debentures.

All other terms and conditions remain as outlined in the ASX announcement dated 12 December 2017.

Through this strategic investment, MMJ has now further strengthened its position in the Canadian cannabis sector, via its respective holdings in Harvest One Cannabis Inc. (TSXV: HVST) (MMJ 59%) and near-term producer Weed Me.

Weed Me has also advised that it has received its certificate of readiness from Health Canada which is the final step in the process towards securing its Cultivation License. All that remains now is completion of the retrofit of Weed Me’s Facility, with contractors having already commenced work on this prior to Christmas. As a result, Weed Me is confident of securing its cultivation licence under the ACMPR within next 120 days which will strategically coincide with the legalisation of the recreational cannabis market in July 2018.

## ASX RELEASE

### About Weed Me Inc.

Established in 2016, Weed Me's short-term strategy is to become a LP with its Access to Cannabis for Medical Purposes Regulations ("ACMPR") A Cultivation License is expected to be granted to Weed Me within the next 120 days . Weed Me's long-term strategy is to provide the highest quality cannabis at the lowest cost per gram, utilizing unique genetics, full cultivation automation and industry leading grow space density.

– ENDS –

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### About MMJ PhytoTech Limited

**MMJ PhytoTech Limited (ASX. MMJ)** is focused on becoming a large-scale cannabis producer, targeting direct supply to the growing Canadian medical and recreational markets which will have an estimated combined value of C\$8-9 billion by 2024. The Company controls operations across the entire medicinal cannabis value chain through its ~59% interest in TSX-V listed **Harvest One Cannabis Inc** (TSXV: HVST) and its 100% interest in Israeli research and development subsidiary, **PhytoTech Therapeutics Ltd**, both of which are strategically located in favourable jurisdictions with supportive regulatory frameworks in place.

### About Harvest One Cannabis Inc.

**Harvest One Cannabis Inc. (TSXV: HVST)** controls operations across the entire cannabis value chain through three business units, with Harvest One serving as the umbrella company over horticultural arm United Greeneries and medical arm Satipharm AG. Each business is strategically located in favourable jurisdictions with supportive regulatory frameworks in place. United Greeneries has received a Canadian medicinal cannabis cultivation licence, making Harvest One one of only a few companies globally with the capacity to commercially cultivate cannabis in a federally regulated environment.